

Unocal - SLO Tank Farm -
JULIE RODEWA
San Luis Obispo County - Clerk/Recorder

SN
8/16/2006
8:00 AM

Recorded at the request of
Cuesta Title Company

Recording Requested By:

Union Oil Company of California
276 Tank Farm Road
P.O. Box 1069 (93406)
San Luis Obispo, CA 93401

DOC#: **2006057837**



Titles: 1 Pages: **14**

Fees	46.00
Taxes	0.00
Others	0.00
PAID	\$46.00

When Recorded, Mail To:

Roger W. Briggs, Executive Officer
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

STATE OF CALIFORNIA
CENTRAL COAST WATER BOARD

Received

AUG 23 2006

895 Aerovista Place, Ste. 101
San Luis Obispo, CA 93401-7906

Space Above Line Reserved for Recorder's Use

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY**

(Re: APN 076-341-012, Lots 34 and 41 of a tract of land referred to locally as the
"San Luis Obispo Suburban Tract", San Luis Obispo, California)

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 11th day of August, 2006 by **Union Oil Company of California** ("Covenantor"), an indirect wholly owned subsidiary of Chevron Corporation who is the owner of record of that certain property situated in the County of San Luis Obispo, State of California, which is more particularly described in Exhibits A-1 and A-2 and incorporated herein by this reference (hereinafter referred to as the "Burdened Property"), for the benefit of the **California Regional Water Quality Control Board for the Central Coast Region** ("Board"), with reference to the following facts:

A. Hazardous Materials. The Burdened Property contains hazardous materials.

B. Contamination of the Burdened Property. Union Oil Company of California, and its related entities whether past or present, including without limitation, Unocal Corporation, Unocal California Pipeline Company, Unocal Pipeline Company, and 76 Products Company (collectively referred to as "Unocal") currently own and/or operate, and/or have previously owned and/or operated the pipelines and a tank farm on Tank Farm Road near the City of San Luis Obispo and in the County of San Luis Obispo, California (collectively, the "Facility"). At various times from the early 1900's to 1980, Unocal used the Facility to store and transfer, through aboveground tanks and aboveground and underground pipelines, petroleum hydrocarbon products, including gasoline, diesel, fuel oil, and crude oil (collectively, "petroleum products") in San Luis

Obispo County. The Burdened Property is adjacent to, and may at one time have been a part of, the Facility. Soil and groundwater at the Burdened Property was contaminated by petroleum-based substances, the nature and extent of which have been assessed in a series of reports prepared by England & Associates, dated November 19, 1998, July 30, 1999, and September 23, 1999, and by Avocet Environmental, Inc., dated May 27, 2005, and as more particularly described in the attached location and site maps and legal descriptions identified as attached Exhibits A-1 and A-2. The reports have been placed on file with Unocal and the Board.

C. Exposure Pathways. The hazardous materials addressed in this Covenant are present in soil and groundwater on the Burdened Property. The San Luis Obispo County Department of Public Health, Division of Environmental Health (Department) has reviewed a Human Health Risk Assessment for the Burdened Property, and has concluded that the unremediated Burdened Property does not currently pose a human health and safety threat, and will not present an unacceptable threat to human health and safety as long as future use of the site is limited to business park and open space/recreational use, as indicated in the City of San Luis Obispo's General Plan and Margarita Area Specific Plan. The Board has concluded that exposure to the hazardous materials present in soil on the Burdened Property could take place via in-place contact during construction activities, resulting in dermal contact and/or inhalation. In addition, the Board has concluded that exposure to hazardous materials in groundwater on the Burdened Property could take place via in-place contact during well drilling, installation, and/or destruction resulting in dermal contact and/or ingestion from a water-producing well.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is currently a vacant, undeveloped lot, but is zoned for light industrial and agricultural use, as is the adjacent property to the east. Adjacent property to the west is zoned for industrial/business park use. Adjacent property to the north is periodically used for agricultural purposes, and the adjacent property to the south (Unocal's former Tank Farm property) is zoned for industrial use. The City of San Luis Obispo's General Plan Land Use Element calls for the Burdened Property and adjacent properties to the north, east, and south to be annexed into the City. If and when annexation occurs, anticipated land uses are as follows: the Burdened Property and adjacent property to the south will be designated for business park and open space/recreational use, adjacent properties to the north and east will be designated for a mixture of low-and medium-density residential, business park, and open space.

E. Disclosure and Testing. Covenantor has made full and voluntary disclosure to the Board of the presence of hazardous materials on the Burdened Property and extensive sampling of the Burdened Property has been conducted.

F. Intent. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property. The Covenantor intends to impose certain covenants, conditions, and environmental restrictions on the Burdened Property.

ARTICLE I

GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II

DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board for the Central Coast Region and shall include its successor agencies, if any.

2.2 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

2.3 Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to use and/or occupy all or any portion of the Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, who hold title to all or any portion of the Burdened Property.

2.5 Hazardous Material. "Hazardous material" means a substance or waste that, because of its physical, chemical, or other characteristics, may pose a risk of endangering human health or safety or of degrading the environment. "Hazardous material" includes, but is not limited to, all of the following: (1) a hazardous substance, as defined in Section 25281 or 25316 of the California Health and Safety Code; (2) a hazardous waste, as defined in Section 25117 of the California Health and Safety Code; (3) a waste, as defined in Section 470 of the California Health and Safety Code or as defined in Section 13050 of the California Water Code.

ARTICLE III

DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

a. No Owners or Occupants of the Burdened Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of

extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board.

b. No Owners or Occupants of the Burdened Property or any portion thereof shall conduct activities that disturb the soil between 10 and 15 feet below grade (e.g., excavation, grading, removal, trenching, filling, earth movement or mining) without a Soil Management Plan and a Health and Safety plan approved by the Department or, post-annexation into the City of San Luis Obispo, by the City of San Luis Obispo Fire Department.

c. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed in accordance with all applicable provisions of state and federal law.

d. The Covenantor shall be responsible for the maintenance, inspection, sampling, and destruction of the existing groundwater monitoring wells.

e. The Covenantor agrees that the Board, and/or any persons acting pursuant to Board orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.

f. No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Board, by reason of this Covenant, to have the authority to require that the Owner modify or remove any Improvements constructed in violation of that paragraph. Violation of the Covenant shall be grounds for the Board to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument that shall accompany all purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

The land described herein contains hazardous materials in soils and groundwater, and is subject to a deed restriction dated as of _____, 200_ and recorded on _____, 200_, in the Official Records of San Luis Obispo County, California, as Document No. _____, which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property

described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV

VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V

MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, or (2) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"

Union Oil Company of California
276 Tank Farm Road
P.O. Box 1069 (93406)
San Luis Obispo, CA 93401

If To: "Board"

Regional Water Quality Control Board, Central Coast Region
Attention: Executive Officer
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of San Luis Obispo within ten (10) days of the date of execution.

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to affect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor:

for W.D. [Signature]

Attorney In Fact

Union Oil Company of California
276 Tank Farm Road
P.O. Box 1069 (93406)
San Luis Obispo, CA 93401

Board:

State of California Regional Water Quality Board, Central Coast Region

By:

[Signature]
Roger W. Briggs
Executive Officer

ACKNOWLEDGEMENT

State of California

County of San Luis Obispo

On August 11, 2006 before me, Martha G. Sohacki, Notary Public,
(here insert name and title of officer)

personally appeared William J. Almas

of Union Oil Company of California

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), of the entity upon behalf of which the persons(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature

Martha G. Sohacki

(Seal)

ACKNOWLEDGEMENT

State of California

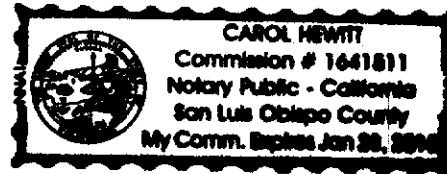
County of San Luis Obispo

On AUGUST 1, 2006 before me, Carol Hewitt, Notary Public,
(here insert name of officer)

personally appeared Roger W. Briggs

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to
be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and
acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~
authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature(s) on the instrument
the person(s), of the entity upon behalf of which the persons(s) acted, executed
the instrument.

WITNESS my hand and official seal.



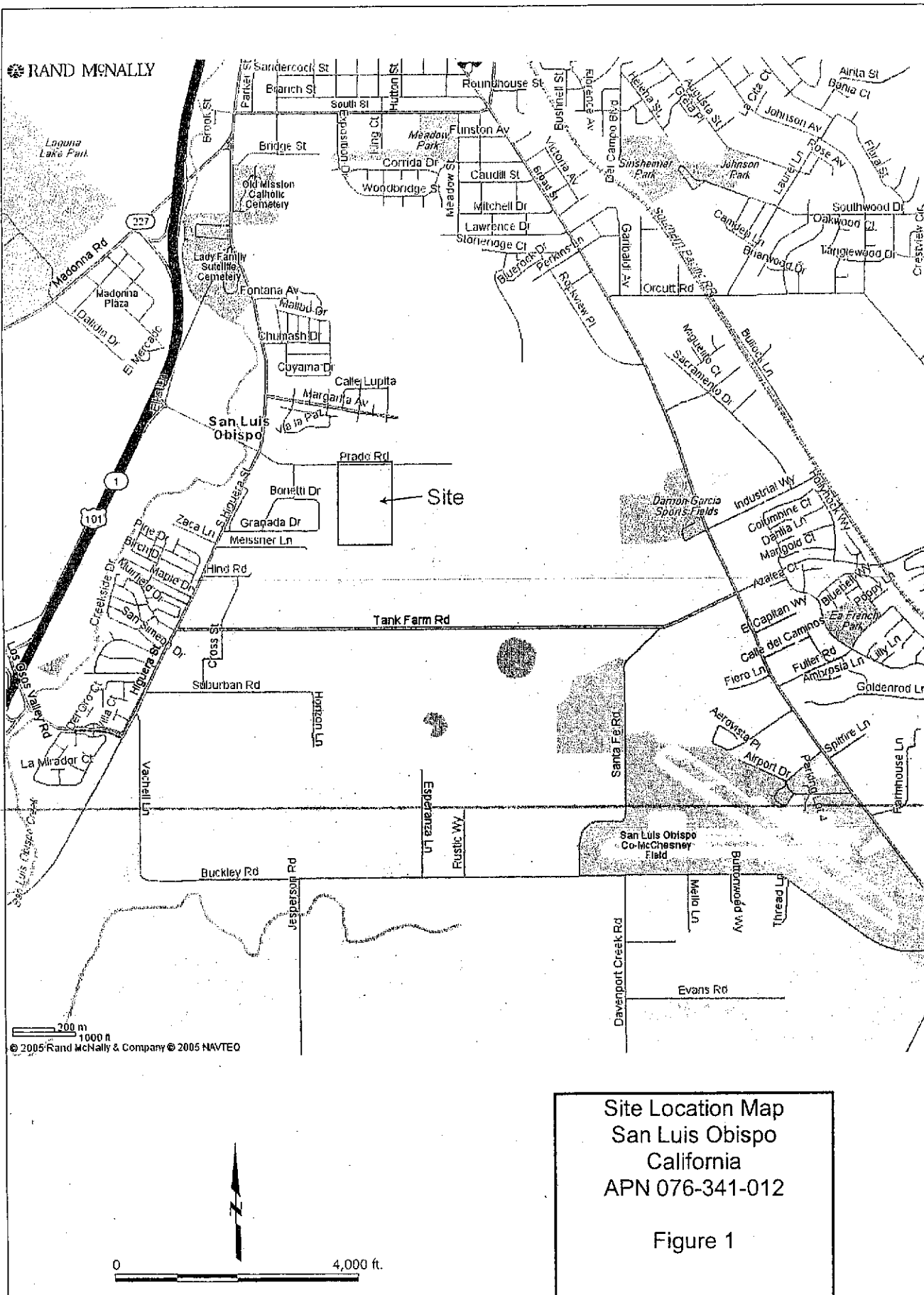
Signature

Carol Hewitt

(Seal)

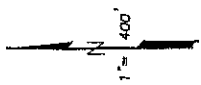
EXHIBIT A-1

SITE LOCATION AND SITE MAP



Site Location Map
San Luis Obispo
California
APN 076-341-012

Figure 1



SOUTH HIGUERA ST.

SE 1/4 - SEC. 2
T.31S, R.12E.

(39)

(053
022)

PRADO RD.

(53
18)

(53
252)

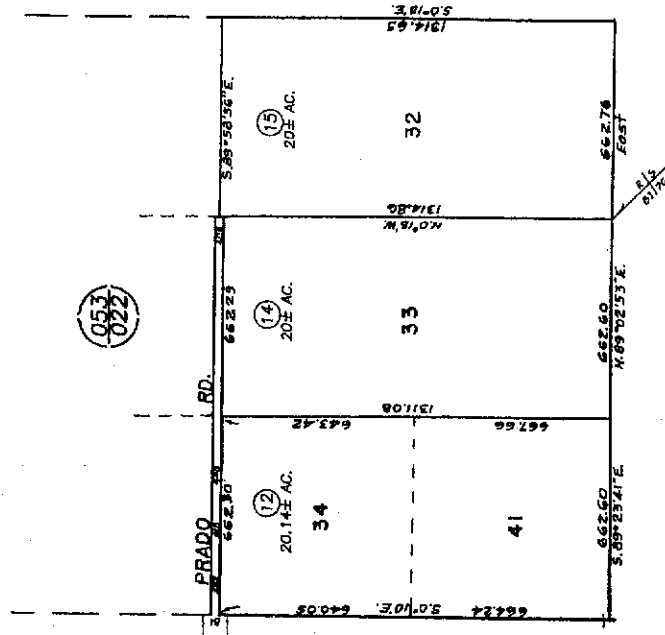
(35)

SEC. COR.

Site Map
San Luis Obispo Suburban
Tract
Lots 34 and 41
APN 076-341-012
Figure 2

REVISIONS	DATE
LZ	08-20-00
LZ	01-11-01
JAW	02-27-01
OW	11-19-01
ER	05-08-02

200 0 400 800
LZ
09-28-00
THIS MAP IS PREPARED FOR
ASSESSMENT PURPOSES ONLY.



SAN LUIS OBISPO VICINITY
ASSESSOR'S MAP, COUNTY OF
SAN LUIS OBISPO, CA
BOOK 76 PAGE 341
MAP n 6 7007

SAN LUIS OBISPO SUBURBAN TRACT, R.S. VOL. 1, PG. 92

EXHIBIT A-2

LEGAL DESCRIPTION OF PROPERTY

Lots 34 and 41 of the San Luis Obispo Suburban Tract, in the City of San Luis Obispo, County of San Luis Obispo, State of California, according to map recorded in Book 1, Page 92 of Record of Surveys, as described in Certificate of Compliance recorded December 17, 2003 as Instrument No. 2003-142355 of Official Records. Assessor's Parcel No. 076-341-012.